

POUGHKEEPSIE, NY – Rep. John Hall (NY-19) met with local accountant Eugene Fleishman in his office today to discuss the Alternative Minimum Tax (AMT) and Hall's proposed bill to reduce the number of working families in the Hudson Valley affected by the AMT.

Hall's bill, the AMT Adjustment Act, will increase the amount of income exempt from the AMT to \$75,000 for individuals and \$100,000 for joint tax filers. Currently, the exemption is only \$46,000 for individuals and \$70,950 for joint filers. Hall's bill also permanently fixes the tax by tying it to the rate of inflation.

"The AMT is hurting middle class families. My bill cuts this egregious middle class tax, eliminating it for most families and greatly reducing it for the rest," said Rep. Hall.

The AMT was created in the 1960's with the intent of catching wealthy Americans who used excessive deductions and loopholes to avoid paying their fair share. Unfortunately, the AMT has been slow to adjust to the rising cost of living, forcing many individuals and working families in America to pay it. This is especially true in areas with a high cost of living, like the Hudson Valley.

"There's not a lot of advice I can give to taxpayers who are hit with the AMT," said Mr. Fleishman. "It's simply a straight mathematical equation, and for people making the same income from year to year, there's no leeway or planning that will help guard against it.

A significant problem for many taxpayers, Mr. Fleishman said, is that personal exemptions for dependents or regular deductions for paid state and property taxes are not brought into consideration when figuring the AMT. For example, one client pays the AMT because they have three children, triggering the tax despite a modest income. "Congressman Hall's new bill, when passed, will solve this couple's problem with the AMT," added Mr. Fleishman.